

2010

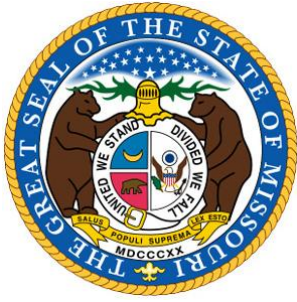
Missouri Minority Business Advocacy Commission MMBAC



An Annual Report to Gov. Jeremiah W. (Jay) Nixon

Ms. Sheila Forrest, Chair

12/10/10



Missouri Minority Business Advocacy Commission (MMBAC)

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Missouri Minority Business Advocacy Commission

State of Missouri

Office of Administration—Office of Equal Opportunity
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September 27, 2010

COMMISSIONERS

Mrs. Sheila Forrest, Chair
Governor Appointee

Mr. Michael Kennedy
Governor Appointee

Dr. Adam R. Shariff
Governor Appointee

Rep. Tim Flook
*Member of the Missouri
House of Representatives
Liberty*

Rep. Roman LeBlanc
*Member of the Missouri
House of Representatives
Kansas City*

Sen. Robin Wright-Jones
*Member of the Missouri Senate
St. Louis*

Sen. Rita Days
*Member of the Missouri Senate
St. Louis*

Mr. Kelvin Simmons
*Office of Administration Commissioner
Jefferson City*

Mr. David Kerr
*Missouri Department of
Economic Development Director
Jefferson City*

Dear Gov. Nixon:

On behalf of the Missouri Minority Business Advocacy Commission (MMBAC), I am pleased to present to you a review of the commission pursuant to Missouri Revised Statute Chapter 33, Section 33.752. As you know this commission was inactive during the previous administration; therefore, we begin this journey with no prior data. Under your leadership MMBAC was revitalized in 2009 with our first meeting on October 29 in Jefferson City, Missouri. For this I would like to express our gratitude to you for supporting us in our advocacy efforts for minority businesses.

Our mission is to increase economic opportunity for minority businesses so that we can improve the overall climate of the State of Missouri; and to develop and establish the inclusionary process for state departments so that they can meet or exceed the goals and objectives of the legislation and executive order designed to increase minority participation in state procurement.

Enclosed in this document, you will find:

- the history of MMBAC
- a summary of our progress in 2009/2010
- our findings and recommendations for agency leadership

I am confident that we will achieve our goals with your continued support. It is our hope that we can work in collaboration with the leadership of the 16 executive agencies to ensure the fiscal and economic prosperity of the great State of Missouri, rich with diversity and equal opportunity for Minority/Women Business Enterprises.

Again, thank you for making MMBAC a priority; it is a pleasure to serve the people of Missouri in our efforts to improve the practices of the current procurement process.

Sincerely,

Sheila Forrest

Sheila Forrest
Chair

STATE OF MISSOURI

THE NEW FACE OF EQUAL OPPORTUNITY



Special to the American
By Elizabeth Birks



Governor Nixon signing Executive Order 10-24 at NAACP National Convention Governor's & Mayor's Reception in Kansas City, MO. From left: Anita Russell—NAACP KC Branch Pres., Governor Nixon, Benjamin Todd Jealous—NAACP Pres. & CEO, Mary Ratliff—NAACP MO State Pres.

Interview with the Missouri Minority Business Advocacy Commission (MMBAC) Chair, Ms. Sheila Forrest



What is your vision for MMBAC?

The vision for MMBAC is to leave a legacy that will create stability in the minority community which will help stabilize the economic climate for all Missourians.

Why is it important to have an advocacy program in 2010? Years ago the Commission existed and actively increased minority vendor participation in the State of Missouri. When the commission dismantled, minority participation decreased substantially. This has to change in order for the state to achieve economic advancement for all citizens.

Do you have a tip for M/WBEs in today's economy? Get involved in local Government and elect politicians that will address issues affecting small businesses; join other M/WBEs to discuss changes that could be used to improve your business growth, support the local economy by giving to local charities and leave a positive legacy

Title VII of the Civil Rights Act of 1964 and the Missouri Human Rights Act further proclaim the legacy of the pursuit of justice, prohibiting employment discrimination based on race, color, religion, national origin, sex, ancestry, age, and disability. This language can also be found in **Executive Order 10-24**, signed by Governor Jeremiah W. (Jay) Nixon on Sunday, July 11, 2010 during the NAACP National Convention Governor's/Mayor's Reception in Kansas City, Missouri.

Truly a historic event for the birth of such a powerful document, affording all persons equal protection under the law, the order is housed in the State of Missouri's Office of Administration—Office of Equal Opportunity (OA-OEO) (formerly Office of Supplier and Workforce Diversity.)

Not only does the office now have a new name, Governor Nixon's Administration yields a new philosophy, **"This is an action-oriented administration that seeks to provide Equal Opportunity to all"** - Commissioner Kelvin L. Simmons, Office of Administration.

With a passionate staff of six, led by Director Alan Green, the work of OA-OEO is far from over. The next step is



Commissioner
Kelvin L. Simmons

getting the executive order for equality in the state's procurement process, giving M/WBEs (Minority/Women Business Enterprises) a fair opportunity to contract with the State of Missouri. For that order to hold power, a current disparity study is essential.

Although Governor Nixon supported this effort by allocating \$600,000 in last year's budget to fund such a study, it was ultimately overturned by the legislature. OA-OEO's determination did not die with that decision. Instead we established many partners to aid in the efforts to continue advocating for procurement rights for minorities and women in the State of Missouri through the creation of a Disparity Study Coalition, a public/private fundraising partnership.

Another new addition to the team is the Missouri

Minority Business Advocacy Commission (MMBAC.) Dismantled in the previous administration, but revived in 2009 under Governor Nixon, MMBAC is the operating arm of OA-OEO. Spearheaded by Ms. Sheila Forrest, owner of Afrworld, (see interview at left) this 9 member (Michael Kennedy, Adam Shariff, Rep. Tim Flook, Rep. Roman LeBlanc, Sen. Robin Wright-Jones, Sen. Rita Heard Days, David Kerr—Dept. of Econ. Dev. Director, and Commissioner Kelvin Simmons) commission's purpose is to increase economic opportunity for M/WBEs by identifying and assessing their needs, initiating aggressive programs to aid M/WBEs in obtaining state and federal procurement, analyzing current legislation and making recommendations as well as constituent services.

There is an insufficient level of parity in the State of Missouri's current employment and procurement practices. Perhaps implicit, operating unconsciously and independently, the job; nonetheless, of OA-OEO is to be persistent in battling the preconceptions and injustices associated with discrimination. This disparity is our driving force.

MEET YOUR OA-OEO ADVOCATES



Alan Green
Director



Ken Franklin
Assistant Director
St. Louis



Roxy Flores
Fiscal and
Administrative
Officer



Nancy Heyer
Certification



Elizabeth Birks
Outreach
Coordinator
Kansas City



Janet Carter
Certification



Missouri Minority Business Advocacy Commission (MMBAC) Annual Report 2010

Current Board Members:

Mrs. Sheila Forrest, Chair (D)
Governor Appointee 3
St. Louis
Term begins: July 6, 2009
Term expires: Sept. 2, 2012

Mr. Michael Kennedy (D)
Governor Appointee 1
Wildwood
Term begins: July 28, 2009
Term expires: Sept. 2, 2010

Dr. Adam R. Shariff (R)
Governor Appointee 2
Ballwin
Term begins: March 7, 2008
Term expires: Sept. 2, 2009

Rep. Tim Flook (R)
Member of the Missouri House of Representatives
Liberty

Rep. Roman LeBlanc (D)
Member of the Missouri House of Representatives
Kansas City

Sen. Robin Wright-Jones (D)
Member of the Missouri Senate
St. Louis

Sen. Rita Days (D)
Member of the Missouri Senate
Jefferson City
Term begins: March 6, 2004

Mr. David Kerr
Missouri Department of Economic Development
Jefferson City

Mr. Kelvin Simmons
Office of Administration Commissioner
Jefferson City

Mission

The Missouri Minority Business Advocacy Commission's (MMBAC) purpose is to increase economic opportunity for minority businesses so that we can improve the overall climate of the State of Missouri; and to develop and establish the inclusionary process for state departments so that they can meet or exceed the goals and objectives of the legislation and executive order designed to increase minority participation in state procurement. Executive Order 03-06 transferred the Commission from Department of Economic Development to the Office of Administration.

Vision

MMBAC identifies and assesses the needs of minority businesses throughout the state; initiates aggressive programs to assist minority businesses in obtaining state and federal procurement; makes recommendations regarding state policies, programs and procedures; and provides a focal point to assist and counsel minority small businesses in their dealing with federal, state and local governments. The Missouri Minority Business Advocacy Commission also initiates and encourages minority business education programs; analyzes current legislation and regulations as they affect minority businesses; and receives complaints and recommendations concerning policies and activities of federal, state and local governmental agencies which affect minority small businesses.

MMBAC Membership Details

Appointed members: 3

Term length: 4 years

Member Requirements: 2 members must be members of the House of Representatives; 2 must be members of the Senate; 1 must be the Director of the Department of Economic Development; 1 must be the Commissioner of Administration; and 3 Governor's appointees must be minority business persons

Political Requirements: yes, no more than 2 Governor's appointees may be members of the same political party

Geographic Requirements: no

Number of meetings: at least 3 meetings

Staff Member: Elizabeth D. Birks
Outreach Coordinator
Office of Administration – Office of Equal Opportunity
Fletcher Daniels State Office Building
615 E. 13th St., Ste. 517
Kansas City, MO 64106
Phone: (816) 889-2340



Historical Timeline

Below you will find a historical timeline of the Office of Administration – Office of Equal Opportunity. This overview shows the events that have occurred between 1990-Present.

Period: 1990 - 1993


In 1990, the General Assembly passed and Gov. John Ashcroft signed Senate Bills 808 & 672, directing the Office of Administration to "establish and implement a plan to increase and maintain the participation of certified socially and economically disadvantaged small business concerns or minority business enterprises, directly or indirectly, in contracts for supplies, services, and construction contracts, consistent with goals determined after an appropriate study conducted to determine the availability of socially and economically disadvantaged small business concerns and minority business enterprises in the marketplace."

Period: 1994 - 1997

In 1994, the State of Missouri's utilization of Minority/Women Business Enterprises (M/WBE) vendors was governed by Executive Order 94-03 and signed by Gov. Mel Carnahan, which reads in its article XIII: "The state shall work toward a goal that at least five (5%) percent of the contracts awarded by departments in the executive branch to for-profit businesses and five (5%) percent of the contracts awarded to not-for-profit businesses shall be to minority-owned or controlled enterprises." Also that year, the State of Missouri Legislature appropriated funds through the Department of Economic Development to conduct a disparity study. The main objective of the 1994 study was to determine the utilization of M/WBEs in contracts and awards by the state. The consultant was directed to determine whether any barriers to equal contracting opportunities existed that were the product of discriminatory practices in the marketplace in which the state operates. The disparity study documented that in 1996 the state of Missouri was at minimum, a passive participant in discrimination practices in its market area. The study supported the creation of a State of Missouri Minority/Women-Owned Business Contracting Procedures Program to increase utilization of Minority/Women-Owned Business in Construction, Design, Consulting, Purchasing and Lottery contracts.

Period: 1998 - 2004

After the completion of the disparity study, and with a legally defensible document in place, the Oversight Review Committee expressed that the most promising means of implementing the committee's recommendations of race- and gender- neutral measures without formal action by the legislature would be an Executive Order issued by the Governor. This recommendation gave birth to Executive Order 98-21 signed by Gov. Mel Carnahan, which increased the utilization percentages in the following manner:



"In order to see a clear path of our future, we have to know our past. Where MMBAC has been is crucial information to the development of where MMBAC is going." –
Commissioner
Sheila Forrest, Chair

“2.a. ... the Division of Purchasing and Materials Management shall be authorized to require prime contractors to subcontract with MBEs and WBEs on targeted contracts of \$100,000 or greater. Percentage goals shall be set for individual contracts by the Division of Purchasing and Materials Management (DPMM) in consultation with the Office of Contract Compliance (OCC) and user agency depending on the availability of MBE and WBE vendors in the applicable commodity/service and geographic area, but the overall goal for all purchases for each fiscal year shall be set at 10% MBE and 5% WBE participation.”

Period: 2004 - 2008

On Sep. 27, 2004, Behavioral Interventions, Inc. filed a lawsuit in the U.S. District Court, in the Western District of Missouri; challenging the propriety of Missouri's M/WBE program. In January 2005, a preliminary injunction was issued ordering the Office of Administration to suspend the placing of M/WBE requirements in any procurement by the State of Missouri. As a result of this injunction, a new executive order, that would supersede Executive Order 98-21, was created. Gov. Matt Blunt signed Executive Order 05-30, which states: “3.a. DPMM shall be authorized to encourage prime contractors to subcontract with M/WBEs on all contracts of \$100,000 or greater. These contracts shall include a provision for participation which will allow the bidders to tailor a plan to fit the contract. Mandatory percentage goals of M/WBE participation shall not be established in violation of federal or state law. M/WBE participation shall be encouraged by DPMM in consultation with the Office of Supplier and Workforce Diversity (OSWD) and the user agency depending on the availability of M/WBE vendors in the applicable commodity/service and geographical area. DPMM shall consider M/WBE participation as a significant factor in a contract bid. The M/WBE participation will be evaluated along with other criteria in the award of a bid. It is intended that 10% MBE and 5% WBE percentage is desired.”



Period: 2009-present

Commissioner Kelvin Simmons appointed Alan Green as the Director of OSWD in March of 2009. Since his appointment, Gov.

Nixon and Commissioner Simmons have charged Director Green to be the “Chief Diversity Officer” for the State of Missouri and its 16 executive departments. Director Green manages a staff of six, but the 16 department directors also play integral roles in OSWD’s operation.

Under the current administration, OSWD developed a 5-Point Plan to increase the M/WBE utilization in the State of Missouri. Outlined below is a brief description of the purpose of and the progress-to-date in implementing each point.

1) *Funding Appropriation for a Disparity Study* - Due to the fact that the disparity study for the State of Missouri was completed in 1996, the Office of Administration is actively pursuing means to support the appropriation of a current study. The objective of an updated study differs from the 1994-1995 study in the respect that its goal is to measure the need of an Equal Opportunity program through the analysis of parity vs. disparity.

Gov. Nixon was in support of a new decision item which was included in OSWD’s Fiscal Year 2011 budget, requesting \$600,000 from the Legislature. Unfortunately, this request was not finalized in the appropriation process; therefore, OSWD must move in a different direction and focus its efforts and concentration towards seeking the disparity study funding from other sources such as private or public entities or sector.

2) *Missouri Minority Business Advocacy Commission (MMBAC)* – this commission had been inactive for the past 4 years, so it was crucial to revitalize MMBAC to strengthen the advocacy efforts of OSD. (See MMBAC 2009/2010 Highlights on p. 26.)

3) *Oversight Review Committee* - Pursuant to Section 37.020.0, RsMo; in 1990, the Missouri Legislature directed the Office of Administration to establish and implement a plan to increase and maintain the participation of certified socially and economically disadvantaged small business concerns or minority business enterprises (MBEs). This plan became the function of the Office of Equal Opportunity (currently the Office of Supplier and Workforce Diversity by authority of Executive Order 05-30.) The State of Missouri commissioned a study to determine the utilization levels of Minority/Women Business Enterprises (M/WBEs) in contracts awarded by the State. Legislation authorizing the study was initiated due to concerns of discriminatory barriers which impeded the full and fair participation of M/WBEs in the State of Missouri's Procurement Process. Such a study was necessary because of *Richmond v. Croson*, 488 U.S. 469 (1989), which states that race-conscious contracting programs established by a state or local government must be able to satisfy the "strict scrutiny" requirements of the 14th Amendment of the U.S. Constitution. The study was prepared using data for the five-year period 1989-1994.

The Oversight Review Committee was created to review and monitor the results of the Disparity Study. The appropriation for this study occurred in fiscal year 1994. In addition to monitoring the study, in December 1997, the Missouri Oversight Review Committee developed recommendations based upon the data compiled in the Disparity Study. Executive order 98-21 was created as a result of the findings and recommendations of the disparity study to implement the M/WBE participation program in Missouri. The recommendations included race- and gender-neutral programs to ensure:

- Expanded outreach
- Timely payments
- Implementation of a financial assistance program
- Bonding assistance

The recommendations also included the following race- and gender-conscious program strategies which monitored:

- M/WBE goals
- The establishment of the Office of Contract Compliance and the M/WBE Owned Business Participation Plan
- Compliance with and review of the goals and procedures that were recommended to certify M/WBE businesses
- The administration and enforcement of guidelines and the development of regulations and uniform applications
- Maintenance of records and delivery of progress reports

2003 OVERSIGHT REVIEW COMMITTEE

In 2003, a second Oversight Review Committee was convened by the Office of Administration. The primary objective of the 2003 Oversight Review Committee (ORC) was to assess the progress that the State of Missouri had made in implementing the Disparity Study Recommendations. After assessing the program, the committee recommended the continuation of the program and policies as outlined in Executive Order 98-21 and developed five recommendations to increase Minority- and Women-Owned Businesses in state procurement:



1. The Office of Administration shall coordinate with the Department of Economic Development to obtain and distribute information regarding Small Business Administration's Surety Bond Guarantee Program throughout the State of Missouri's certified M/WBE community.
2. The Governor should issue a new executive order that adds further procedure and policy that strengthens the requirements of Executive Order 98-21.
3. The State of Missouri should encourage the use of M/WBE as prime vendors whenever possible.
4. The State of Missouri should encourage and look favorably on joint venture partnership opportunities for prime vendors and M/WBE participant firms.
5. The State of Missouri should adopt policy and procedure that requires prime contractors to be accountable to M/WBE subcontractor's vis-à-vis all provisions of contracts that in any manner affects the M/WBE subcontractor participant.



CURRENT SITUATION

Assuming that a new disparity study is completed, the Commissioner of Administration might convene another Oversight Review Committee pursuant to the authority and responsibility given through section 37.020.2 of Missouri Revised Statutes.

5. ***New Executive Order*** – with the establishment of a new executive order, the intent was to incorporate certain implications that would better diversify the State's workforce and increase the procurement opportunities for

M/WBEs. Under the direction of Gov. Jay Nixon and through the leadership of the Office of Administration, OSD has prepared two separate executive orders:

1. The Procurement Executive Order addresses M/WBE issues such as: certification, utilization, monitoring, and compliance. It also addresses barriers to entry and/or success that M/WBE vendors have identified throughout the years.
2. The Employment and Affirmative Action executive order addresses the assurance that all present and prospective employees are afforded an equal opportunity at all levels and phases of employment within state government including but not limited to, hiring; recruiting; training; benefits; promotions; transfers; layoffs; demotions; terminations; rate of compensation; and recalls from layoffs. It shall be the responsibility of this office to monitor all departments of the executive branch of state government and to assist them in ensuring equal employment practices and affirmative action. The State of Missouri shall work to ensure that there will be no vestiges of discrimination against persons on account of race, sex, color, religion, national origin, age, disability, or veteran status in not only employment practices but the provision of services and operation of facilities.

The staff at the Office of Supplier and Workforce Diversity has worked with various internal and external groups to analyze the content of the executive orders. Meetings were held with staff at various entities, such as the Division of Purchasing and Materials Management; Facilities, Management, Design and Construction; the Division of Personnel, and members of other executive branches. The external review was conducted in three separate groups in Central Missouri, Kansas City and St. Louis. These groups were composed of community members, M/WBE vendors and members of the Legislature.



On July 12, 2010, Gov. Jay Nixon signed Executive Order 10-24 to ensure that all present and prospective employees are afforded equal opportunity at all levels and phases of employment within state government with respect to, but not limited to, hiring; recruiting; training; benefits; promotions; transfers; layoffs; demotions; terminations; rate of compensation and recalls from layoffs. This executive order also changed the name of the Office of Supplier and Workforce Diversity to the Office of Equal Opportunity (OEO). The procurement executive order is currently under review.

6. ***U.S. Department of Commerce M/WBE Outreach Plan*** - The American Recovery and Reinvestment Act (ARRA) of 2009 (Recovery Act) was signed into law by President Obama on Feb. 17, 2009. It is an unprecedented effort to jumpstart our economy and creates or retains millions of jobs. The Act is an extraordinary response to a crisis unlike any since the Great Depression, and includes measures to modernize our nation's infrastructure, enhance energy independence, expand educational opportunities, preserve and improve affordable health care, provide tax relief, and protect those in greatest need.



In February 2009, Gov. Nixon kicked off the first economic recovery project in the nation. Gov. Nixon outlined goals in the Transform Missouri Initiative, a program created by Executive Order 09-12 designed to analyze the American Recovery and Reinvestment Act of 2009. The Transform Missouri Initiative identifies state programs and projects that could benefit from the Recovery Act, and then develops and coordinates plans designed to maximize the impact of the Recovery Act, implementing guidelines and practices that provide transparency and accountability.

In ARRA, Disadvantaged Business Enterprise (DBE) participation was mentioned due to the fact that funds that are used in transportation projects have federal policy or mandate that requires the participation of DBE vendors. Disadvantaged Business Enterprises (DBE) programs are mandated by Congress under TEA 21 (Transportation Equity Act for the 21st Century). DBE goal setting requirements, detailed in 49 CFR Part 26, are passed down to the State as part of the DBE program and required as a condition of the funding agreement. If the State does not meet the DBE requirements, the State will be ineligible to receive USDOT assisted funding.

The inclusive language was absent for M/WBE vendors in ARRA because M/WBE programs are set by and for inclusion of minorities and women owned businesses in state funded procurement. The U.S. Department of Commerce asked the State of Missouri for strategies to increase the participation of minority-owned firms in ARRA. The Office of Supplier and Workforce Diversity responded by creating an outreach plan which includes the following sections:

CURRENT SITUATION

The outreach plan has been submitted to the Commissioner's Office and is currently under review. A meeting with key State Representatives should be scheduled in the near future. This meeting should include the following key individuals Commissioner of Administration; Director of the Division of Purchasing and Materials Management; Director of the Division of Facilities, Management, Design and Construction; American Recovery and Reinvestment Act Coordinator; Director of the Office of Supplier and Workforce Diversity; and Representatives of the Department of Commerce's Minority Business Development Agency (MBDA).

GOALS

The Office of Supplier and Workforce Diversity strives to increase the number of contracts awarded to M/WBE vendors in stimulus funded projects. This increase will create jobs and stabilize the needs of low to moderate income communities. Due to the awards of these contracts, an increase in taxes received by federal, state, and local entities will improve infrastructure, sustain home ownership, provide capital for affordable rental housing, and generate revenue for emerging small businesses.

- To provide excellent service to Missouri minority and women owned businesses
- To create a centralization of the communication effort to increase stimulus awareness
- To educate and prepare Missourians for stimulus bids
- Collaborate with state and city departments to conduct trainings

BENEFITS OF IMPLEMENTATION

Coordination/Identification – The identification of key personnel at the divisions within the Office of Administration and the identification of M/WBE vendors that have the capacity to perform the contracts that the State of Missouri lets are important.

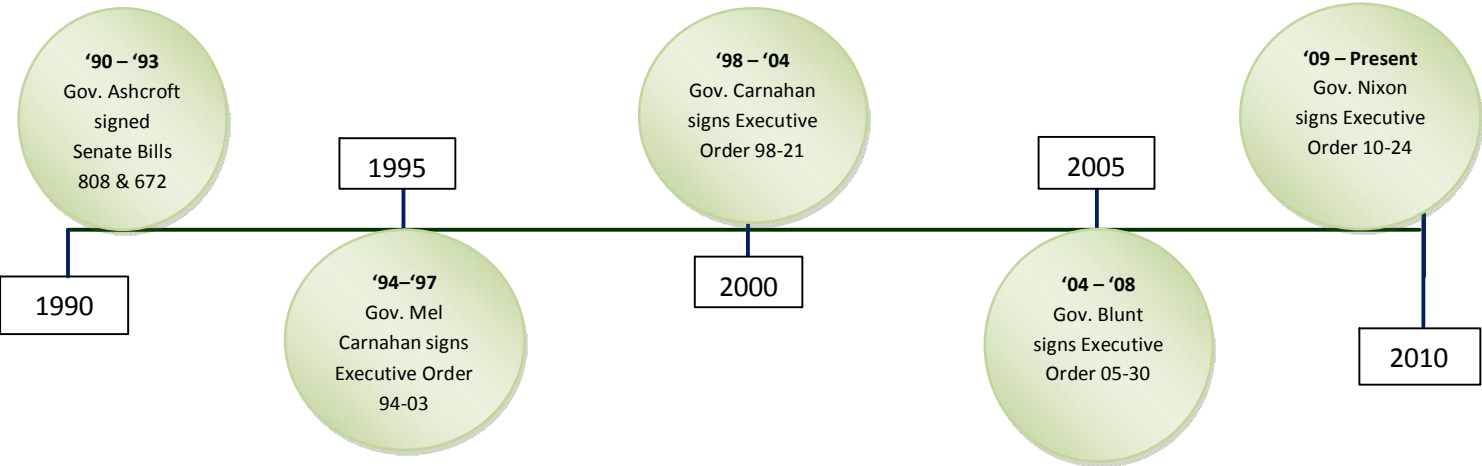
- Internal State Network – To identify key staff at the agencies that receive ARRA funding and to obtain notification about contracting opportunities in a timely fashion is extremely important.
- External Networks – The contracting opportunities need to be disseminated to M/WBE vendors in a prompt manner, in order for them to be able to bid promptly. Partnering with other certifying entities and ethnically driven organizations, the message can be disseminated it more efficiently.

IMPEDIMENTS TO IMPLEMENT AN OUTREACH PLAN

The most critical impediment is cost. The clarity of the information being delivered needs to be improved so that the end user can benefit. The State of Missouri has an M/WBE program at the Executive Branch level. The mention of DBEs in ARRA and the exclusion of M/WBE created a policy concern at our state. At this moment Missouri is at a policy discovery stage. With the lack of control in time constraints amongst agencies, many small businesses are not given ample time to respond to bid proposals. The request presented by the U.S. Department of Commerce only concerns Minority Business Enterprises, however OSD advocates for Women Business Enterprises also, creating a plan for MBE vendors creates a policy conflict for our organization. Encouraging and engaging the state agencies and impressing upon them that the Recovery Act mandates this kind of outreach. Improving these contracting rates can be difficult during these tough economic times because of the tremendous pressure to keep spending down and award the lowest bids; subsequently, many small and disadvantaged businesses are discouraged from bidding.

There are 1,533 M/WBE vendors in the State of Missouri's database. Due to the lack of resources, OSD has been able to identify 45 companies with the capacity necessary to bid on ARRA contracts; with additional funding for staff, the identification process could yield more M/WBE vendors that are prepared to bid. In the case of purchases below the \$25,000 threshold, the cooperation from agencies to contact M/WBE vendors to provide quotes is essential. Additional funding will allow the State of Missouri to expand its outreach activities.

Diversity Inclusion Timeline



**DIVERSITY + RESPECT =
INCLUSION**

MMBAC Action Plan



MMBAC Chair, Sheila Forrest, showcasing some products at her store, Afro World Hair & Fashions in St. Louis, Mo.

Duly noting the State of Missouri's recent history of low M/WBE utilization, MMBAC developed an action plan to assist OEO and the 16 executive agencies in their efforts to increase contract inclusion.

As advocates for minority- and women-owned businesses in the State of Missouri procurement process, MMBAC must be the VOICE within state government.

This starts and ends with our capability to educate, both internally and externally, and to acquire a level of parity and respect in regards to procurement inclusion. Collaborating efforts with federal; state and local governments; and state

agencies maximizes MMBAC's outreach activities and reserves appropriated funds to be used for additional educational and developmental programs.

Below you will find the five targets of MMBAC, outlined within the acronym **VOICE**, the **Applications** that satisfy each target and **MMBAC's 2009/2010 Approach** in response to OEO's Fiscal Year 2009 Annual Report.

VOICE

Visibility, Accountability & Accessibility: To make the state of Missouri accessible in the area of procurement and to hold each agency accountable for underutilization of M/WBE providers.

Outstanding Constituent Affairs: To provide outstanding service to our M/WBEs

Increase Awareness: To work with OEO to increase M/WBE Certification awareness and market MMBAC's function in the State of Missouri

Centralized Communication: To create a centralization of the communication effort, acting as a liaison between the State of Missouri and our constituents

Education: To educate all of our partners on the importance and benefits of diversification

Applications

Visibility, Accountability & Accessibility is accomplished by developing relationships with key department personnel. We then invited agency directors to our meetings to discuss the agency's M/WBE utilization results obtained from OEO's Fiscal Year 09 Annual Report. During the agency's presentation, MMBAC Commissioners offered advice on how to increase their utilization in the future. This process will be an annual activity for MMBAC, inviting each agency to a designated meeting after each fiscal year annual report is prepared by the Office of Administration, OEO.

MMBAC will also be visible, accountable and accessible to our constituents through our **Outstanding Constituent Affairs**. This is a priority and will be displayed as such:

- Assess the needs of minority- and women-owned businesses
- Initiate aggressive programs to assist our constituents in obtaining state contracts and federal agency procurements
- Provide a focal point and assist and counsel minority small businesses in their dealings with federal, state and local governments regarding the obtaining of business licenses and permits, including, but not limited to, providing ready access to information regarding government requirements which affect minority small business
- Assist minority businesses in obtaining available technical and financial assistance
- Receive complaints and recommendations concerning policies and activities of federal, state and local governmental agencies which affect minority small businesses, and develop, in cooperation with the agency involved, proposals for changes in policies or activities to alleviate any unnecessary adverse effects to minority small business.

Increase Awareness: This will be accomplished by assisting OEO in bringing awareness to the benefits of being certified as an M/WBE in the State of Missouri procurement process; give special publicity to procurement, bidding, and qualifying procedures; as well as marketing the role MMBAC plays in its advocacy efforts and including minority businesses on solicitation mailing lists (i.e., the OEO newsletter).

Through marketing, we will be able to gain more support as is apparent in our collaboration with the Minority Business Coalition (composed of M/WBEs in Missouri).

Not only will MMBAC bring awareness about our mission to our external audience, but also the internal audience (state agencies and general assembly) in the following ways:

1. Identify minority businesses in the state
2. Prepare and maintain timely data on minority business qualified to bid on state and federal procurement projects

Centralized Communication, both inflow and outflow, is essential to pass all information relevant to minorities and women to MMBAC partners for mass dissemination amongst our partners and constituents. This centralized model is to ensure fluidity with agency-to-agency correspondence as well as that of M/WBEs and the general public. Each agency that presents before the commission is asked to provide a liaison that will be responsible for communication with MMBAC Commissioners.

Education is a practice that MMBAC is constantly emphasizing through collaborations with partners to implement business and personal development programs. MMBAC strives to elevate our services by



Gov. Nixon holds a meeting with the Missouri Coalition of Minority- and Women-Owned Businesses

familiarizing state agencies and the governing body with the benefits of diversification, while simultaneously equipping our constituents with the capacity to contract with the State of Missouri.

This includes:

- Making recommendations regarding policies, programs and procedures to be implemented by the Commissioner of the Office of Administration
- Lobbying: analyzing current legislation and regulation as it affects minority business for the purpose of determining methods of elimination or simplification of unnecessary regulatory requirements
- Initiating and encouraging minority business education programs, including programs in cooperation with various public and private educational institutions

MMBAC's 2009/2010 Approach

In response to the Office of Administration – Office of Equal Opportunity's Fiscal Year 2009 Annual Report, MMBAC planned to call upon each Director of the 16 executive agencies to address the M/WBE utilization results. The plan was to hear a presentation from each agency at an allotted time during MMBAC meetings; however, due to the time constraint of completing this report, the following agencies were able to present, respectively: Department of Health and Senior Services (DHSS); Department of Social Services (DSS); Department of Labor and Industrial Relations (DOLIR); Department of Agriculture (MDA); Department of Natural Resources (DNR); Office of Administration (OA); Department of Economic Development (DED); and Department of Insurance, Financial Institutions and Professional Registrations (DIFP).

Method of Selection

The methodology behind the order in which the agencies were selected to present included a number of factors. Agencies were chosen based on one or more of the following criteria obtained from OEO's Fiscal Year 2009 Annual Report:

- **Total Expenditures**
- **Low M/WBE Utilization**
- **Number of Certified M/WBE Vendors in the low utilized areas of procurement**



Executive Order 05-30 states that “all state agencies shall continue to make every feasible effort to target the percentage of goods and services procured from certified MBEs and WBEs to 10% and 5%, respectively.”

Table 1 gives an overview of expenditures incurred by each executive department. Although the legislature, judiciary and executive branch are not subject to this executive order their M/WBE utilization is also shown.

	MBE	WBE	NON-MBE	TOTAL	MBE %	WBE %
	EXPENDITURES	EXPENDITURES	EXPENDITURES	EXPENDITURES		
Legislature, Executive and Judiciary Branches*	\$3,551,645.16	\$1,255,147.37	\$34,211,038.38	\$39,017,830.91	9.10%	3.22%
EXECUTIVE DEPARTMENTS						
OFFICE ADMINISTRATION	\$40,132,575.57	\$5,811,839.91	\$87,389,878.08	\$133,334,293.56	30.10%	4.36%
AGRICULTURE	\$247,989.73	\$65,570.99	\$3,592,787.13	\$3,906,347.85	6.35%	1.68%
INSURANCE	\$158,571.61*	\$126,659.98*	\$2,638,049.97*	\$2,923,281.56	5.42%	4.33%
CONSERVATION	\$1,815,858.02*	\$438,536.33*	\$29,767,489.49*	\$32,021,883.84	5.67%	1.37%
ECONOMIC DEVELOPMENT	\$2,836,981.64	\$741,027.34*	\$20,944,223.53*	\$24,522,232.51	11.57%	3.02%
ELEM & SEC EDUCATION	\$370,681.51*	\$1,338,584.81*	\$33,897,581.80*	\$35,606,848.12	1.04%	3.76%
HIGHER EDUCATION	\$79,480.43	\$207,086.14*	\$9,240,030.17*	\$9,526,596.74	0.83%	2.17%
HEALTH & SENIOR SERVICES	\$1,295,596.18	\$751,735.62	\$50,994,805.64	\$53,042,137.44	2.44%	1.42%
TRANSPORTATION	\$14,723,551.79*	\$3,046,746.14*	\$348,085,046.61*	\$365,855,344.54	4.02%	0.83%
LABOR & INDUSTRIAL RELATIONS	\$81,795.22	\$196,343.08	\$1,934,785.40	\$2,212,923.70	3.70%	8.87%
MENTAL HEALTH	\$408,454.67*	\$225,737.05*	\$51,169,255.80*	\$51,803,447.52	0.79%	0.44%
NATURAL RESOURCES	\$1,945,433.91*	\$773,658.11*	\$21,018,592.34*	\$23,737,684.36	8.20%	3.26%
PUBLIC SAFETY	\$5,809,584.50*	\$1,608,179.25*	\$68,477,697.02*	\$75,895,460.77	7.65%	2.12%
REVENUE	\$1,167,295.72	\$589,241.03	\$36,997,476.00	\$38,754,012.75	3.01%	1.52%
SOCIAL SERVICES	\$4,087,831.18*	\$2,024,583.25	\$164,102,545.23*	\$170,214,959.66	2.40%	1.19%
CORRECTIONS	\$14,737,738.93*	\$7,278,104.15*	\$184,152,234.32*	\$206,168,077.40	7.15%	3.53%
TOTALS FOR EXECUTIVE DEPARTMENTS	\$89,899,420.61	\$25,225,319.87	\$1,114,400,791.84	\$1,229,525,532.32	7.31%	2.05%
TOTALS STATEWIDE	\$93,451,065.77	\$26,480,467.24	\$1,148,611,830.22	\$1,268,543,363.23	7.37%	2.09%
*Totals differ from SAM II individual agency reports due to payments processed through the UMB purchasing card agreement.						

Table 1

Agency M/WBE Utilization Presentations

A formal letter from MMBAC's Chair was sent to each invited agency's Director, requesting a presentation on the agency's Fiscal Year 09 M/WBE Utilization Results. Below you will find brief information on each agency's utilization results and a plan to increase the results as we approach FY2012.

Department of Health and Senior Services

Director: Margaret T. Donnelly

DHSS utilizes a centralized purchasing system. Shalonda Graham, Procurement Manager, presented to MMBAC on April 12, 2010, on behalf of Director Donnelly. Graham referenced the following table which shows the expenditures that DHSS incurred during fiscal year 2009:

	MBE EXPENDITURES	WBE EXPENDITURES	NON-MBE EXPENDITURES	TOTAL EXPENDITURES		
					MBE %	WBE %
Department of Health and Senior Services	\$1,295,596.18	\$751,735.62	\$50,994,805.64	\$53,042,137.44	2.44%	1.42%

Table 2

Table 3 shows areas that reflect high expenditures but low or no M/WBE participation for DHSS:

Object Code	Total Expenditures	% of Department's Total Expenditures	% Spent with MWBE Vendors
2451 Other Health Services	\$26,140,083.40	49.28%	0.33%
2433 Medical and Dental Supplies	\$4,596,891.88	8.67%	0.00%
2280 Laboratory Supplies	\$4,566,751.56	8.61%	0.00%
2430 Educational Health Services	\$3,603,759.92	6.79%	0.00%

Table 3

Through purchases in contracts that have M/WBE Participation established, DHSS obtained subcontracting allocation in the following amounts:

MBE: \$111,943.14

WBE: \$154,453.56

Total: **\$266,396.70**

The total amount of subcontracting allocation represents .50% of the department's total expenditures.



Department of Social Services

Director: Ronald J. Levy

During Fiscal Year 09, DSS incurred the following expenditures:

	MBE	WBE	NON-MBE	TOTAL		
	EXPENDITURES	EXPENDITURES	EXPENDITURES	EXPENDITURES	MBE %	WBE %
Department of Social Services	\$4,087,831.18	\$2,024,583.25	\$164,102,545.23	\$170,214,959.66	2.40%	1.19%

Table 4

The table below shows areas that reflect high expenditures but low or no M/WBE participation for DSS:

Object Code	Total Expenditures	% of Department's Total Expenditures	% Spent with MWBE Vendors
2451 Other Health Services	\$42,775,893.71	25.13%	0.00%
2544 Other Professional Services	\$77,012,257.27	45.24%	0.24%
2514 Program Consultant Services	\$14,456,406.21	8.49%	0.31%
2433 Medical and Dental Services	\$6,099,001.13	3.58%	0.07%
3251 Contribution Refunds	\$5,817,550.00	3.42%	0.00%

Through purchases in contracts that have M/WBE Participation established, DSS obtained subcontracting allocation in the following amounts:

MBE: \$ 1,484,304.17

WBE: \$13,350,936.50

Total: **\$14,835,240.67**

The total amount of subcontracting allocation represents 8.71% of the department's total expenditures.



Department of Labor and Industrial Relations

Director: Lawrence G. Rebman

DOLIR utilizes a centralized purchasing system. An analysis of the department's expenditures reveals the following expenses incurred during Fiscal Year 09:

	MBE EXPENDITURES	WBE EXPENDITURES	NON-MBE EXPENDITURES	TOTAL EXPENDITURES		
					MBE %	WBE %
Department of Labor and Industrial Relations	\$81,795.22	\$196,343.08	\$1,934,785.40	\$2,212,923.70	3.70%	8.87%

The following shows areas that reflect high expenditures but low or no M/WBE participation for DOLIR:

Object Code	Total Expenditures	% of Department's Total Expenditures	% Spent with MWBE Vendors
2454 Mailing Services	\$454,486.39	20.54%	0.00%
2706 Non-Mainframe Computer Software	\$327,639.34	14.81%	0.00%
2700 Non Mainframe Computer Equipment Over Threshold	\$102,295.85	4.62%	0.00%
2460 Printing and Binding Services	\$85,537.39	3.87%	0.00%

Through purchases in contracts that have M/WBE Participation established, DOLIR obtained subcontracting allocation in the following amounts:

MBE: \$1,626.42

WBE: \$5,920.30

Total: **\$7,546.72**

The total amount of subcontracting allocation represents .34% of the department's total expenditures.



Department of Agriculture

Director: Jon Hagler

MDA uses a decentralized purchasing system. Table 7 shows the expenditures that each division incurred during Fiscal Year 09:

Division	MBE EXPENDITURES	WBE EXPENDITURES	Non-M/WBE EXPENDITURES	TOTAL EXPENDITURES	MBE %	WBE %
ITSD	\$36,420.46	\$0.00	\$0.00	\$36,420.46	100.00%	0.00%
Office of the Director	\$49,424.92	\$2,645.99	\$43,138.14	\$95,209.05	51.91%	2.78%
Animal Health	\$70,611.58	\$13,144.80	\$809,592.55	\$893,348.93	7.90%	1.47%
Grain Inspection and Warehousing	\$16,683.18	\$651.82	\$138,674.31	\$156,009.31	10.69%	0.42%
Plant Industries	\$40.00	\$7,928.36	\$261,992.21	\$269,960.57	0.01%	2.94%
Weights & Measure	\$665.05	\$889.52	\$546,200.74	\$547,755.31	0.12%	0.16%
State Milk Board	\$16,683.18	\$1,339.03	\$71,597.37	\$89,619.58	18.62%	1.49%
Agriculture Business Development	\$18,647.82	\$10,151.23	\$722,175.89	\$750,974.94	2.48%	1.35%
Missouri State Fair	\$10,092.79	\$7,139.55	\$1,049,816.86	\$1,067,049.20	0.94%	0.66%
Subcontracting Allocation	\$28,720.75	\$21,680.69				
Totals	\$247,989.73	\$65,570.99	\$3,592,786.63	\$3,906,347.85	6.35%	1.68%

The following table shows areas that reflect high expenditures but low or no M/WBE participation for MDA:

Object Code	Total Expenditures	% of Department's Total Expenditures	% Spent with MWBE Vendors
2280 Laboratory Supplies	\$420,052.73	10.75%	0.00%
2328 Motor Fuel	\$557,091.15	14.26%	0.00%
2466 Advertising Services	\$372,512.98	9.54%	0.33%
2736 Laboratory Equipment	\$78,493.62	2.01%	0.00%

Through purchases in contracts that have M/WBE Participation established, MDA obtained subcontracting allocation in the following amounts:

MBE: \$28,720.75

WBE: \$21,680.69

Total: **\$50,401.44**

The total amount of subcontracting allocation represents 1.29% of the department's total expenditures.



Department of Natural Resources

Director: Mark N. Templeton

During Fiscal Year 2009, DNR incurred the following expenses:

	MBE	WBE	NON-MBE	TOTAL		
	EXPENDITURES	EXPENDITURES	EXPENDITURES	EXPENDITURES	MBE %	WBE %
Department of Natural Resources	\$1,945,433.91	\$73,658.11	\$21,018,592.34	\$23,737,684.36	8.20%	3.26%

The table below shows areas that reflect high expenditures but low or no M/WBE participation for DNR:

Object Code	Total Expenditures	% of Department's Total Expenditures	% Spent with MWBE Vendors
2328 Motor Fuel	\$885,363.21	3.73%	0.00%
2209 Propane	\$246,145.97	1.04%	0.00%
2991 Agency Provided Food	\$138,944.55	0.59%	0.00%
2352 Agriculture / Grounds Supplies	\$145,256.59	0.61%	0.00%
2445 Rehabilitative Services	\$86,885.32	0.37%	0.00%

Through purchases in contracts that have M/WBE Participation established, DNR obtained subcontracting allocation in the following amounts:

MBE: \$ 38,429.93

WBE: \$329,158.34

Total: **\$367,588.27**

The total amount of subcontracting allocation represents 1.54% of the department's total expenditures.



Office of Administration
Commissioner of Administration: Kelvin L. Simmons

OA utilizes a decentralized purchasing system for purchases below \$24,999, and any purchase above \$25,000 is handled through the Division of Purchasing and Materials Management for the divisions and the other executive departments. During Fiscal Year 09 the Office of Administration incurred the following expenditures:

	MBE EXPENDITURES	WBE EXPENDITURES	NON-MBE EXPENDITURES	TOTAL EXPENDITURES	MBE%	WBE%
Commissioner's Office	\$316.16	\$14,136.72	\$101,180.00	\$115,632.88	0.27%	12.23%
Division of Accounting	\$0.00	\$4,070.30	\$50,661.41	\$54,731.71	0.00%	7.44%
Division of Budget and Planning	\$0.00	\$4,526.45	\$6,363.82	\$10,890.27	0.00%	41.56%
Division of ITSD	\$38,677,516.37	\$4,953,198.73	\$46,669,431.34	\$90,300,146.44	42.83%	5.49%
Division of Facilities Management, Design and Construction	\$1,101,845.65	\$231,286.25	\$34,844,777.42	\$36,177,909.32	3.05%	0.64%
Division of General Services	\$45,287.09	\$392,611.13	\$5,564,965.85	\$6,002,864.07	0.75%	6.54%
Division of Personnel	\$0.00	\$2,490.81	\$119,992.09	\$122,482.90	0.00%	2.03%
Division of Purchasing and Materials Management	\$27.99	\$2,286.02	\$308,727.49	\$311,041.50	0.01%	0.73%
Administrative Hearing Comm	\$3,265.20	\$8,213.94	\$31,895.55	\$43,374.69	7.53%	18.94%
Office of Child Advocate	\$0.00	\$181.26	\$6,743.01	\$6,924.27	0.00%	2.62%
Children's Trust Fund	\$0.00	\$0.00	\$17,066.43	\$17,066.43	0.00%	0.00%
Governor's Council Disability	\$1,185.86	\$2,151.72	\$13,858.25	\$17,195.83	6.90%	12.51%
Missouri Ethics Commission	\$55,486.37	\$5,088.52	\$84,134.72	\$144,709.61	38.34%	3.52%
Elected Officials	\$0.00	\$1,871.87	\$7,451.77	\$9,323.64	0.00%	20.08%
Subcontracting Allocation	\$247,644.88	\$189,726.19	(\$437,371.07)			
DEPARTMENT TOTALS	\$40,132,575.57	\$5,811,839.91	\$87,389,878.08	\$133,334,293.56	30.10%	4.36%

Object Code	Total Expenditures	% of Department's Total Expenditures	% Spent with M/WBE Vendors
2544 Other Professional Services	\$21,845,247.70	16.38%	2.84%
2911 Mainframe Computer Mainframe Rentals	\$4,440,163.60	3.33%	0.00%
2540 Information Technology Outsourcing	\$4,214,894.05	3.16%	0.00%
2883 Mnfrm Comp Equ Leases, Capital	\$1,502,736.25	1.13%	0.00%

The subcontracting allocation obtained by OA amounts to \$437,371.07 this amount makes up 0.33% of total expenditures.

The table at the left shows areas that reflect high expenditures but low on no M/WBE participation for OA.

Department of Economic Development
Director David Kerr

Each division at DED has its own financial and procurement staff, with the exception of Business and Community Services. Table 12 shows the analysis of M/WBE utilization at the department level. Based on administrative, accounting and budgetary changes, DED percentages dropped from last years. However, it is through DED efforts, M/WBE expenditure percentages have remained steady since Fiscal Year 08. DED ranked second among all state departments in over all percentage of expenditures with minority and women owned businesses at 14.59%.

	MBE	WBE	NON-MBE	TOTAL		
	EXPENDITURES	EXPENDITURES	EXPENDITURES	EXPENDITURES	MBE %	WBE %
Economic Development	\$2,836,981.64	\$741,027.34	\$20,944,223.53	\$24,522,232.51	11.57%	3.03%

Table 12

The table below shows areas that reflect high expenditures but low or no M/WBE participation for DED:

Object Code	Total Expenditures	% of Department's Total Expenditures	% Spent with MWBE Vendors
2544 Other Professional Services	\$4,472,306.17	18.24%	0.00%
3412 Program Reimbursements	\$3,775,160.81	15.39%	0.00%
2496 Other Business Services	\$737,177.89	3.01%	0.12%
2466 Advertising Services	\$12,864,904.85	52.46%	3.13%

Through purchases in contracts that have M/WBE Participation established, DED obtained subcontracting allocation in the following amounts:

MBE: \$2,341,270.89

WBE: \$ 244,696.79

Total: **\$2,585,967.68**

The total amount of subcontracting allocation represents 10.54% of the department's total expenditures.



Department of Insurance, Financial Institutions and Professional Registration

Director: John M. Huff

DIFP has a centralized purchasing system. An analysis of the department's expenditures reveals the following expenses incurred during Fiscal Year 09:

	MBE	WBE	NON-MBE	TOTAL		
	EXPENDITURES	EXPENDITURES	EXPENDITURES	EXPENDITURES	MBE %	WBE %
Department of Insurance, Financial Institutions, and Professional Registrations	\$158,571.61	\$126,659.98	\$2,638,049.97	\$2,923,281.56	5.42%	4.33%

Table 14

Table 15 shows areas that reflect high expenditures but low or no M/WBE participation for DOC:

Object Code	Total Expenditures	% of Department's Total Expenditures	% Spent with MWBE Vendors
2502 Attorney Services	\$981,491.47	33.57%	0.00%
2544 Other Professional Services	\$441,675.78	15.11%	0.62%
2503 Attorney & Settlement Payments	\$102,109.36	3.49%	0.00%
2118 Out-of-State Comm Trans-Travel Agy	\$105,708.42	3.62%	0.00%

Table 15

Through purchases in contracts that have M/WBE Participation established, DED obtained subcontracting allocation in the following amounts:

MBE: \$2,653.17

WBE: \$1,993.17

Total: **\$4,646.34**

The total amount of subcontracting allocation represents .16% of the department's total expenditures.



Department of Insurance
Financial Institutions
& Professional Registration



2009/2010 MMBAC Highlights

Publicity

MMBAC participates in many statewide events in collaboration with OEO, including but not limited to the following:

- June 17, 2010 – Business Opportunity Summit, Columbia, Mo.
- July 22, 2010 - St. Louis American Ad Diversity Addition (see appendix 3) introducing MMBAC's Chair
- Aug. 20, 2010 - Missouri Black Expo – St. Louis, Mo.

Meetings Held

Oct. 29, 2009 – Introduction to MMBAC: function, role and members and the following priorities were established

- Support a new Executive Order to replace Executive Order 05-30
- Seek support from the legislature for a new disparity study
- Encourage commission members to attend the public hearing regarding Ward Conley Proposed Initiative on Dec. 10, 2009
- Request an update on the response to the U.S. Department of Commerce regarding increasing Minority/Women Business
- Enterprise (M/WBE) participation in reference to the
- 2009 American Recovery and Reinvestment Act (ARRA).



MMBAC Meeting - (L to R: Dr. Shariff, Commissioner Simmons, Rep. LeBlanc, Elizabeth Birks, and Commissioner Forrest)

Dec. 17, 2009 – Development of direction and strategy to meet with the executive departments' directors

April 12, 2010 – Agency M/WBE Utilization Fiscal Year 09 Results Presentations

- Department of Health and Senior Services (DHSS) – Shalonda Graham, Procurement Manager, on behalf of Director Margaret Donnelly
- Department of Social Services (DSS) – Jennifer Tidball, Director of Division of Budget & Finance, on behalf of Director Ron Levy

Aug. 17, 2010 – Agency M/WBE Utilization Fiscal Year 09 Results Presentations

- Department of Labor and Industrial Relations (LABOR)– Director Larry Rebman & staff
- Department of Agriculture – Mr. Michael Warrick, General Counsel on behalf of Director Jon Hagler
- Department of Natural Resources (DNR) – Director Mark N. Templeton & staff

Sept. 22, 2010 – Agency M/WBE Utilization Fiscal Year 09 Results Presentations

- Office of Administration (OA) – Assistant Commissioner Walter Pearson & Staff on behalf of Commissioner Kelvin L. Simmons
- Department of Economic Development (DED) – Sarah Schuette, Director of Administration, on behalf of Director David Kerr
- Department of Insurance, Financial Institutions and Professional Registrations (DIFP) – Rochelle Hendrickson, Division Director for DIFP Resource Administration, on behalf of Director John M. Huff

Missouri Black Expo 2010 – OEO/MMBAC Workshop

St. Louis, MO.



Elizabeth Birks
directing an
M/WBE to the
DPMM booth

This was a
really great
workshop; very
informative for
both M/WBEs
and state

agencies. – Michael

Warrick, General
Counsel (Dept. of
Agriculture)

Michael Warrick and
Keith Savage (MBE) talk
with workshop
attendees



Larry Weber, General Counsel - OA/Div. of Facilities,
Management, Design and Construction and Carmela
Thornton, Asst. Director – OA/Div. of Purchasing and
Materials Management give M/WBE participants
information on how to do business with the state of
Missouri



Recommendations

Based on the presentations of the agencies listed on the previous page, there were three points that were consistent in the majority of the presenters' comments. When posed the question: To what does your agency attribute its inability to meet the 10/5 goals established in Executive Order 05-30?

1. Coding errors in the SAM II procurement system
2. Decentralized Procurement Process: the fact that each agency is responsible for expenditures under \$25,000.00 with all other contracts going through the Office of Administration – Division of Purchasing and Materials Management severely decreases the state of Missouri's opportunity to control and monitor the utilization of M/WBEs to meet the 10/5 goals on contracts.
3. Lack of M/WBEs with the capacity to complete the work in state contracts for the necessary expenditures

The Missouri Minority Business Advocacy Commission (MMBAC) is devoted to ensuring that all minority- and women-owned businesses have the same opportunities to compete for State of Missouri contracts as other qualified suppliers. Over the last year, MMBAC has collaborated with the Office of Administration – Office of Equal Opportunity (OA-OEO) to develop strategies to increase M/WBE utilization, participated in events across the state to bring awareness to the importance of diversity and met with state agencies to encourage a partnership in our efforts.

With the information obtained from the eight agencies with whom the commission met and the fact that the total state expenditures that are purchased from M/WBEs do not meet the 10/5 goals established in Executive Order 05-30, MMBAC has arrived at the following recommendations. These recommendations are what we believe to be crucial changes within state government to increase the M/WBE utilization in the procurement process:

1. Consolidation of the procurement process to be monitored and controlled by the Office of Administration. This will decrease errors while increasing the utilization of M/WBEs through a centralized effort.
2. Funding for an updated disparity study
3. Request that Gov. Nixon write a letter of support to each agency director, expressing M/WBE utilization as a priority.
4. Upgrade the SAM II system to avoid coding errors. Currently there is between 7% and 10% margin of error in the results.
5. Internal Agency Training – facilitated by the Office of Administration, OEO to bring awareness to the M/WBE program and diversity training.



MMBAC Meeting - (L to R: Commissioner Simmons, Rep. LeBlanc, Elizabeth Birks, Commissioner Forrest, Sen. Days, Mike Downing – DED, Asst. Commissioner Pearson – OA, William Musick and Ann Pardalos - DED)

"In diversity lies strength because without it we are not whole."

